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C O N F I D E N T I A L SECTION 01 OF 03 DJIBOUTI 000987

SIPDIS

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SUBJECT: PORT STRIKES: FOLLOW-UP WITH DPI DIRECTOR

REF: DJIBOUTI 965

Classified By: Pol/Econ Erinn C. Stott

11. (C) Summary: Ambassador, DCM and Pol/Econ met with Dubai Ports International (DPI) General Manager, David Hawker, at Ambassador's request 2 October to discuss the recent problems with strikes at the Port. Hawker offered clarification for many points of misinformation that had been circulating around town, including the reasons for the dismissal of 36 union workers. Hawker stated the first strike was deliberately scheduled for President Guellah's absence to attend the U.N. General Assembly and coincided with absences of himself and several other key Ministers. He said once the Ministers of Transport, Labor, and the President returned it was discovered that the strike did not adhere to several requirements in Djibouti's labor code and therefore was technically an illegal strike. Hawker said this was the reason for the dismissal of 11 strike leaders, in addition to disturbing the peace, following the strike of September 14th. The 11 strike leaders that were arrested were charged with "incitement to rebellion." The cases of the strike leaders were forwarded to the National Prosecutor and were heard by the court on October 2nd, where they were found not guilty and released from custody. The 167 strikers arrested during the September 24th were held at the Nagad Detention center for 48 hours and then released. Meanwhile, DPI announced 9/28 that it had merged with DPI Terminals to create a single new global port operator called DP World. End Summary.

12. (C) David Hawker, General Manager of DPI, discussed the port strikes with Ambassador, DCM and Pol/Econ Officer October 2nd to clarify some of the misinformation circulating around town. Hawker explained the strike had been originally planned for September 14th, the day he was to return from vacation. At the time of the strike planning, none of the Ministers involved in strikes and labor disputes were present in country. President Guellah was also absent attending the U.N. General Assembly. The Prime Minister was called in to negotiate, a week long mediation was set and everyone returned to work. After the return of the Ministers involved in strikes and labor disputes, it became apparent that the Port Workers' Union (UTP) had not followed all of the Djiboutian Labor Code regulations for holding a strike, including the requirement of strike pre-notification. This made the strike technically illegal. It was for this reason, Hawker said, that the 11 ringleaders were dismissed from their positions at the port.

13. (C) Later on the 14th, the 11 strike leaders returned to the Port and physically blocked the entrance of buses bringing night-shift workers. This created a large public disturbance, and the Director of National Security, Hassan Said, Director of the Port and Free Zone Authority, Abdourahman Boreh, and the Police came out to control the scene. A very heated discussion ensued, according to Hawker. The strikers did persuade 138 people to stop work. After the situation got very heated, Boreh asked Hawker to remove all expatriates at the port because the Police were going to round-up the strikers. One hundred sixty seven persons were subsequently arrested and taken to Nagad Detention Center, where they stayed for two nights. All of the persons arrested refused to give their names to the Police. Hawker mentioned that his office was able to determine who was at Nagad by waiting until the next shift and seeing who was absent.

14. (C) The following morning, September 15, the decision was made at the Port to terminate those among the strikers with extremely poor work records - excessive absenteeism etc. This resulted in an additional 25 dismissals. Hawker said for these 25 people, the illegal strike and public disturbance was a last straw since they already had accumulated enough violations to warrant termination. He added that all of these individuals are in process of receiving their severance package, as required by Djiboutian law. Hawker said after the strike, he, Abdourahman Boreh, and Houssein Kassim, the Port's Human Resources Director, explained on Radio Television Djibouti (RTD) that the strike had been illegal and the persons dismissed were dismissed under to Djiboutian law. The crew from RTD then asked to interview port workers about the strike. Their interviews, according to Hawker, showed the majority of the Port workers were not in favor of the strike. Hawker said the conclusion had been drawn that

the strike was not related to Port activities at all, but was a political statement by the opposition timed for when President Guelleh would be out of town. He added that it was a confirmed fact that the 11 strike leaders were members of the opposition.

15. (C) Hawker added that DPI has regular meetings with the trade unions with their own legal representatives in attendance to decipher Djibouti's labor code. He said during these meetings union representatives have preferred to continue pulling out obsolete laws, repeatedly sticking to one item, and that the meetings never got anywhere. A meeting was finally arranged to discuss the 12 major points raised in previous meetings. The two sides, management and labor, went point-by-point through the list discussing each one. DPI agreed to eight in full and two with modifications. Two other points were refused outright. These two points were the only demands made during the strikes.

16. (C) One of the two points that DPI refused to accept was worker entitlement to a "prime de panier" (food stipend) under certain circumstances. At issue is language in the Djiboutian labor code which states "If service is longer than 8 continuous hours, the worker should get 'prime de panier.'" Hawker said that on this point, DPI agreed that certain classifications of workers, by nature of their work, needed to work shifts of 10 or 12 hours. These include tug boat crews and some dock crews. Hawker said the crews that work 10 or 12 hours shifts are already receiving overtime and a food stipend and have not complained about the work arrangements. The UTP, Hawker said, wanted this clause to apply to the Security crews as well. DPI refused because the security crews only work 8-hour shifts.

17. (C) The second of the two points was language in the labor code that stated an employer could not force anyone to work longer than 8 hours per day. Hawker commented that the international standard for port shifts is 12 hours on, 12 hours off. The Port of Djibouti agreed to having 10 hours on, 14 hours off to keep changes of tug crews and dock crews to a minimum - increasing the efficiency and safety of the port. If DPI agreed to the unions demand to institute 8-hour shifts across the board, it would have to hire more people and change shifts three times a day, reducing the cost effectiveness of the port and slowing the average time to dock a ship. Hawker commented that DPI had to hire an additional tug to cover Doraleh Port. This tug and its crew was hired from Dubai and costs 50 percent less than a tug with a Djiboutian crew. He added that the tug crews are happy with the arrangements as they stand and are getting their overtime and food stipends.

18. (C) Hawker said he believed the demands from the union for 8-hour shifts were only a ploy to create more jobs and to make sure no particular section got paid more than another. He also added that all changes DPI has implemented since it took over management of the Port have been done with the full and prior knowledge of both President Guelleh and Port and Free Zone Authority Director, Abdourahman Boreh. Any major changes he has proposed have been first cleared by Guelleh and Boreh before implementation to avoid anything that might appear political. Hawker commented that President Guelleh has made the decision that the tradition of using the Port as a place where anyone well-connected and in need of a job can be put on the payroll must end and the Port should be run efficiently like any other business.

19. (C) Hawker said Djibouti Port is currently operating without a union, because all of its leaders were dismissed in the strikes. He said in Dubai, which prohibits all unions, DPI runs without unions and manages to keep workers happy. He added, however, that without a union management has to stay more attuned to its employees needs, but this can be done efficiently.

10. (C) Hawker also explained some of the other changes DPI has implemented. He told Ambassador that prior to DPI's take over, absenteeism and accidents were through the roof. With new policies like dismissal after seven unexcused absences within a certain time period, and complete prohibition of khat chewing on port grounds, has greatly decreased absenteeism and accidents. Other methods used to resolve preventable accidents have included the requirement and conduct of medical exams for employees. Hawker said it was discovered that a large portion of port workers were diabetic and were not aware of it. This resulted in accidents when diabetics would black out driving fork lifts and other heavy machinery and either fall out of the vehicle or crash into something. DPI has made sure that diabetics on the payroll receive proper medication. DPI is also providing glasses to those workers with poor eyesight, another condition that can cause accidents if not corrected. (Note: In a separate meeting with DCM, Hawker noted that offering eye exams made port authorities aware that a significant percentage of port workers, including supervisors, are illiterate. This has resulted in some reassignment of personnel. End Note.) Hawker

said the Port will open a clinic on its grounds as soon as the Organization de Protection Sociale (Social Security Service) gives the Port a physician. He added the Port would like to employ an expat physician with extensive health and safety experience at the clinic to double as both physician and Health and Safety inspector. Hawker hopes that this will reduce fake sick days.

11. (U) Hawker took advantage of the meeting with Embassy to brief on the merger of Dubai Ports Authority and DPI Terminals. He said the single new global port operator created by the merger, DP-World, will lead to more efficient internal management out of Dubai and the company's greater commercial viability. He said the merger creates one of the largest port operators in the world but is not expected to impact in a significant way general operations of ports in Djibouti.
RAGSDALE